

CIA-RDP78-01634R000100240008-7

Further Russian Concessions To Hungary Held Likely; Satellite Students Complain

Russia Replaced a Planner

CPYRIGHT

By JOHN R. GIBSON

REPORT OF THE WALL STREET JOURNAL

The gradual breakup of Russia's satellite empire has begun.

No new satellite eruption on the Hungarian pattern appears imminent at the moment—but this estimate could change overnight.

Compromise Likely

The Soviet dictatorship has been caught off balance by satellite revolts, and in a panicky reaction the Kremlin leaders could make some rash blunder, perhaps in a spot such as touchy East Germany, that would propel the world into a new global war—even though the Russians don't want such a conflict now.

Because of these appraisals, the U. S. has decided, as of now, to try pretty much to keep out of the satellite troubles.

Secretary of State Dulles made this clear the other day when he emphasized the U. S. doesn't want to turn the satellites into a ring of countries hostile to Russia. He talked of a "peaceful evolution toward genuine independence."

CPYRGHT

Letting Dust Settle

"The U. S., like Britain, is letting the dust settle," sums up a British diplomat, more directly.

New signs of trouble inside Russia cropped up over the Christmas holidays. What happened was that Russia's leaders criticized the lack of success of their own economic planning and put a new man in charge.

Of course, Uncle Sam is doing all he can to make capital out of the Soviet embarrassment in Hungary and Poland. Our strategists would be delighted if Soviet satellites could become independent and get away with it.

Washington wants Ambassador Henry Cabot Lodge to keep the Hungarian issue before the United Nations, forcing Russia to reject U. N. peace making moves and so condemning the Soviets in the eyes of the world. In an attempt to make Poland's new Communist government economically independent of Moscow, State Department tacticians are trying to work out foreign economic aid for Poland. They're ready to consider the same kind of help for Hungary, too, if the regime free from Kremlin influence should get control there.

Officials are making clear, however, that they will take a dim view of helping the Hungarian regime of Soviet puppet, János Kádár. Just yesterday, Eugene R. Black, president of the World Bank, declared that Hungary, not being a member, is not eligible for a World Bank loan. What's more, Mr. Black said that even if Hungary were a member, he "would not in any case be prepared to recommend a loan to the present Hungarian government."

As further evidence of our good will, Vice President Nixon, just returned from Austria, is urging admission of more Hungarian refugees to the U. S. He also wants this country to furnish economic aid to Austria to help that nation shelter Hungarians who've fled from oppression in their homeland. And to make sure the rest of the world knows who's the friend of whom, the Voice of America—our radio propaganda arm—is beaming the facts of the Hungarian uprising behind the Iron Curtain as well as to the rest of the world.

Restless Reds: Ike's Advisors Say Soviet Empire Is Crumbling

CPYRGHT

Long-Term Erosion

American Government experts contend that, basically, the U. S. need only encourage the forces already at work in the satellites. They're convinced a long-term erosion of the Red Empire is in the making.

The first break in the Communist ranks came, of course, in 1948 when Marshal Tito led Yugoslavia out of the Soviet system. He contended Yugoslavia could have its own brand of Communism without taking orders from the Kremlin. Dictator Stalin wrathfully cut all ties with Yugoslavia and told the rest of the satellites to have nothing to do with the country. He expected Tito to come crawling back.

But Tito, with U. S. economic and military aid, has been an independent Communist ever since. Our foreign affairs analysts contend this example has encouraged other enslaved peoples to believe they, too, can pull away from Russia and get away with it.

The real impetus for revolt came early this year when Soviet party boss Nikita Khrushchev made his historic de-Stalinization speech. In effect, the Red leaders admitted there had been mistakes in Communist policies and loosened many of Stalin's brutal controls.

"They took the 'mystique' out of Communism," one official argues.

But it was the double revolt in Poland and Hungary this fall that genuinely convinced the experts the satellite empire was starting to crumble.

"That was a fantastically important event,"

Please Turn to Page 5, Column 2

CPYRGHT

Continued From First Page

one diplomat declares. He reasons that it showed Communism had lost its appeal for the groups which were supposed to be its greatest strength—the intellectuals and the workers.

"The explosion in Hungary was a complete miscalculation by the Soviets," adds a State Department authority. "When their troops fired on the people, they didn't realize how the people would react."

This official and others believe that in the early days of the revolution Moscow would have been willing to settle for considerable independence inside Hungary so long as the Hungarian government remained allied to Moscow. But the rebels demanded the Nagy government announce its withdrawal from the Warsaw Pact, the military alliance of the European Communist states, and declare its neutrality.

This would have meant Hungary was on the way to becoming an anti-Communist nation in the heart of the Soviet empire, so Soviet tanks and troops moved back to Budapest in drastic reprisal. Some U. S. officials hold that reprisal welded the Hungarian people into an opposition that never will agree for long to a Communist regime dominated by Moscow.

In the end, these authorities believe, Russia will probably have to offer Hungary a compromise government, patterned after Wladislaw Gomulka's regime in Poland. Some top officials are convinced Kadar ultimately will have to go because he's the object of widespread resentment of the Hungarian people. Whatever form the compromise government takes, officials figure it would still be a Communist government friendly to the Soviet Union, but would grant Hungarians various freedoms.

"The Russians have two alternatives," says one top student of Soviet policy. "They can give Hungary a popular compromise regime or keep military control. They'll probably go for the compromise-type government because it's cheaper and the only one that has a chance of succeeding."

Toward Real Freedom

But most importantly, some of President Eisenhower's top advisers believe even this more independent Red regime would fall sooner or later, moving the country nearer real freedom.

In some official eyes, the Soviet regime has unwittingly contributed to its own difficulties. These men maintain that in its zeal to build industrial power, the Soviet Union has had to educate important segments of its people, and that this surely will lead to a further moderation of Communism—perhaps, in time, even to its death.

"Even though a highly materialistic society has been created, the reasoning, thinking, processes of the workers at all levels have been stimulated," says one of the chief exponents of this education theory, Allen W. Dulles, director of the Central Intelligence Agency, which coordinates Government intelligence activities.

"Pride of country, desire for power, some measure of appreciation to the Soviet state which has given them an education and a position of influence plus fear and uncertainty about the consequences of deviation may, for a time, continue to hold most of the Soviet intelligentsia in line," Mr. Dulles continues. "But the leaven of education has begun its work; the men in the Kremlin have a hard task ahead to hold this process in check."

Mr. Dulles, brother of the Secretary of State, tells of "well substantiated reports" that Russian students are becoming restive. Student criticism of Communist chieftains played a large part in the revolts of Poland and Hungary. The U. S. now has reports of student unrest in East Germany and Romania, too.

"Youth of the satellites can no longer be considered an indoctrinated support of any Communist regime," concludes an aide of John Foster Dulles.

The same goes for satellite armies. Secretary Dulles himself believes satellite forces generally may be a detriment instead of an advantage to the Soviets—as Hungary's army plainly proved to be. The satellite armies might be shooting in the other direction, and it might require a subtraction in the Soviet force, to balance that factor in the equation," the Secretary said recently.

There's ample evidence of other trouble be-

hind the Iron Curtain.

"Hardly a week goes by without reports of some demonstration or incident in Poland," reports a State Department man. He tells of recent riots in the major port of Stettin and of regular, open criticism of the new Gomulka government. In East Germany many groups have complained. Economic troubles of one kind or another—short food supplies, few consumer goods—plague all the satellites.

Satellite leaders have been quick to get the point of the Hungarian and Polish revolts. They've tightened up security measures in an attempt to discourage revolt and they've promised their people better living.

Czechoslovakia's Red rulers have stepped up surveillance of Western diplomats and question people going in and out of the U. S. Embassy. But they're also reforming their penal code, relaxing sentences for some offenses.

Bulgaria has tightened its police control—while liberalizing pension laws, raising wages and making other economic concessions.

Soviet authorities in East Germany have warned students they'd better not start a new Hungary and the Reds are expanding their "farmers militia" to prevent damage to collective farms. At the same time, they've announced more economic aid for the Red half of Germany.

Mountainous little Albania, which one diplomat calls "nothing but a bunch of sheep herders," has put on post-Hungary spy trials against alleged Tito agents.

Only in Hungary, Poland and East Germany do U. S. authorities see much chance of another uprising soon.

"If the revolt in Hungary had come at the start of summer instead of the start of winter, there might be a different story," a high U. S. official declares. A coalless, foodless winter likely will do more to quell the Hungarian uprising than Soviet armor, he reasons. He notes coal mines are operating only at a fraction of normal output and "thousands of windows were broken in Budapest."

But U. S. analysts refuse to call the Hungarian fighting over; the freedom fighters have risen twice with arms after the Soviets had seemingly stamped out resistance. And Gomulka's regime in Poland looks shaky to many observers here.

"He's swung like a pendulum, so far," says one authority, referring to the Polish chief's anti-Russian talk followed by cooperation with the Reds. "His popularity depends on his robustness against Russia."

Some Steps Taken

Gomulka can point to some steps toward freedom taken already. The new government has made a pact with the Roman Catholic Church which lets children receive religious instruction and largely removes state control over the church. He negotiated a pact with Soviet leaders which theoretically gives Poland control over the number of Soviet troops stationed in the country. And the government has called elections for minor posts in January which allow a limited choice of candidates—eight candidates for each five posts.

But the Poles are basically anti-Russian, U. S. authorities say. Many believe any further pushing around by the Soviets, or an unpopular turn by the Gomulka government, could bring another revolt.

While little anti-Red protest has percolated to the surface in East Germany since the riots of June, 1953, officials consider this area, where Russian troops are heavily concentrated, as potentially the most dangerous tinderbox in Europe. An East German uprising conceivably could bring West German troops into action against Russian chieftains. That warning, in fact, was given North Atlantic Treaty Organization leaders by West German Foreign Minister Heinrich Von Brentano in Paris earlier this month.

The unpredictability of the Kremlin's masters inevitably makes the Washington size-up of what's ahead behind the Iron Curtain subject to error and open to revision. But as of now, the capital's most authoritative spectators of events in the Red empire are convinced that Communism's overlords have started something they can't stop, either in the satellite countries or in Russia itself.